



2007–2008

Saskatchewan

Provincial Budget

Performance Plan

Saskatchewan Agriculture and Food

Minister's Message

After a succession of difficult years, a positive outlook again exists within many of the commodity sectors that make up the agricultural industry of Saskatchewan. This improved outlook is driven by changes in international supply conditions and improved access to the US market, as well as new and developing demands for grains and oilseeds, including their use as alternative energy sources. In the coming years, the extent to which this new optimism is realized will become clear. As we collectively work toward this more positive future, the role that Saskatchewan Agriculture and Food (SAF) will play is described in the Department's 2007-08 Performance Plan.

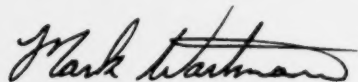
Three themes underlie SAF's 2007-08 plan. These are to:

- assist the industry in transforming to a more profitable future;
- continue to grow the sector to contribute more jobs and economic opportunities for Saskatchewan citizens; and
- help stakeholders address the risks inherent in the agri-food sector and adjust to the changes that are continuously occurring.

An ongoing focus of the Department is to work in support of balancing and diversifying the primary sector and to provide the basis for additional agricultural processing and value-added activity within the province. Through investment in research, delivery of development and technology transfer services and the encouragement of livestock industry expansion, SAF seeks to return agriculture to economic vitality, assist in its transformation and further its contribution to the provincial economy. This direction will be pursued in a manner that is complementary to our goals related to environmental sustainability and to the provision of safe, high-quality food.

An additional and key aspect of our performance plan is the provision of effective business risk management programming. Such programming ensures agricultural producers have a financial safety net against adverse production and market outcomes. This assists producers in dealing with short to medium term economic stresses and, in conjunction with other programming, helps ease the ongoing adjustments experienced by the industry and throughout rural Saskatchewan.

Our Performance Plan has been shaped through ongoing dialogue with many stakeholders. As Minister responsible, I am committed to completing the key actions identified in this plan and reporting on actual progress to the people of Saskatchewan in July 2008.



Mark Wartman
Minister of Agriculture and Food

Who We Are

The mandate of the Department is to foster a commercially viable, self-sufficient, and sustainable agriculture and food sector. Working with individuals, businesses, communities, and governments, SAF will assist farmers, ranchers, suppliers and processors to encourage higher value production and processing, and promote sustainable economic development in rural Saskatchewan.

To deliver on its mandate, SAF provides programs, technical support and specialist services to encourage the expansion of the livestock sector, the diversification to higher value crops and additional processing of agricultural production. SAF works to ensure livestock projects are developed in an environmentally sustainable manner, that disease surveillance occurs and that farm quality assurance programs are developed to ensure the production of safe food.

The Department also funds ongoing business risk management programs to assist producers in offsetting risks in crop production, to stabilize income and to deal with economic disasters. Production insurance on a wide range of annual crops and crop classes and on forages as well as weather based insurance products are provided through the Saskatchewan Crop Insurance Corporation. Income stabilization and disaster assistance is provided through the Canadian Agricultural Income Stabilization (CAIS) program. This program is jointly funded by the federal and provincial government and is delivered in Saskatchewan by the Government of Canada. Although program guidelines are subject to federal/provincial/territorial agreement, the federal administration determines specific program delivery parameters and administrative processes.

The Agriculture Knowledge Centre (AKC) in Moose Jaw and nine SAF regional offices are key components of the Department's service delivery model. Delivery through the AKC reflects evolving trends in information and technology transfer to farmers. It enables the Department to be less reliant on local offices, while maintaining high quality service. The regional offices engage in program delivery, building community capacity, supporting agri-business development and building technical capacity for competitive value chains.

The Department is responsible for the administration of approximately 7.3 million acres of Crown land that is leased to farmers and ranchers or operated as community pastures. Approximately \$30 million in annual revenue is collected from these assets. This revenue includes rent from cultivation, hay and grazing leases, the proceeds of petroleum and gas leases, other land revenues and administration fees and the net proceeds from Crown land sales.

SAF provides significant third party funding for research and development. Much of these resources are provided to various faculties and centres of the University of Saskatchewan or to research institutions that are located near the University. Over the long term, these institutions

play an essential role in delivering on the Department's mandate to foster a commercially viable, self-sufficient and sustainable agriculture and food sector, and in the encouragement of higher value production and processing. As a condition of the research and development contracts and agreements entered into, these institutions provide accountability to SAF for the funding received.

The Saskatchewan Agriculture Development Fund (ADF) is the major channel for provincial agriculture and food research funding. Over \$7 million is provided to fund new and ongoing projects in livestock, crops, environmental stewardship, value added processing and general research areas. An additional \$3.3 million annually is provided to the University of Saskatchewan and the Prairie Agricultural Machinery Institute under the Strategic Research Program. This commitment extends until the spring of 2008.

Institutional issues such as the threat to remove the single-desk powers from the Canadian Wheat Board and to reconsider the role of the Canadian Grain Commission have significant implications for farmers in both revenue loss and whether to adjust their operational focus to better protect their interests. The Department will work to ensure that democratic processes are respected and that producers have the required information to make informed decisions regarding the future of their grain marketing agency and regulatory system.

The Department's staff complement, in terms of full-time equivalents (FTEs), numbers 522.6. This is separate from the staff complement of 319.92 at the Saskatchewan Crop Insurance Corporation. The total organizational complement is 842.52 FTEs.

Saskatchewan signed the Agricultural Policy Framework (APF) Agreement with the federal government and entered into the APF Implementation Agreement during the 2003 calendar year. These agreements establish funding commitments and programming in the areas of business risk management, food safety and food quality, science and innovation, environment and renewal that the Department and/or the federal government will deliver to Saskatchewan producers during the period ending March 31, 2008. The Department expects that it will invest at least \$1 billion in the agriculture sector over this period to implement the APF. With the end of APF approximately one year away, the Department will continue to engage in discussions with the federal government, other provinces, and the industry regarding the next generation of the APF programming.

In addition to activities that are led by the Department, SAF is a participant in the provincial Safe Drinking Water Strategy that is being led by the Department of Environment. Our role in water management centres on the relationship between agricultural activities and water resources. SAF protects drinking water source supplies through research and technology, regulatory and transfer programs. (More information on the strategy may be found at: www.se.gov.sk.ca/environment/protection/water/2007-08PerformancePlan-DrinkingWater.pdf.)

Plan at a Glance

This Performance Plan continues the overall strategic direction of previous plans, but has been updated to reflect the Department's current priorities. Future performance plans will continue to evolve over time as the strategic planning, performance management, and public reporting processes mature, and as stakeholder feedback is incorporated.

Provincial agricultural production and processing industries operate in a dynamic environment, in which they experience both diverse and occasionally unique challenges and opportunities. In recognition of this, SAF's strategic planning must be cognizant of the current state of the industry and of rural Saskatchewan, and of longer-term trends and emerging opportunities. Part of the process of attaining this understanding includes ongoing dialogue with producers and producer organizations, including the:

- Farm Support Review Committee;
- Commodity Development Boards/Commissions;
- Farm Leaders Advisory Group; and
- Commodity Specific Producer and Agri-Business Organizations.

The goals and objectives identified in the following are multi-year in nature. Over time, the Department will work towards achieving its objectives, and through these will realize our broader long-term goals. For each objective, a number of key actions have been developed, which apply to the 2007-08 fiscal year. A set of performance measures also has been established that will be used to gauge our progress in achieving our objectives.

SAF will report on actual, compared to planned progress after year-end, in the 2007-08 Annual Report.

VISION

A thriving agricultural sector that contributes to an enhanced quality of life for all Saskatchewan residents

GOAL 1

Prosperous, sustainable, agricultural production and processing industries

OBJECTIVE 1 – Increased livestock production and diversification to higher value crops

Performance Measures

- Hogs marketed
- Slaughter steers/heifers marketed
- Beef cow herd size
- Value of Saskatchewan crop output per acre

OBJECTIVE 2 – Increased total value of goods and services produced by the agriculture and food sector

Performance Measure

- Primary agriculture market receipts plus agri-value (food and beverage) shipments

OBJECTIVE 3 – Enhanced environmental stewardship

Performance Measures

- Conservation till acreage as a per cent of land prepared for seeding
- Summerfallow as a per cent of total cultivated land
- Number of environmental farm planning workshops

OBJECTIVE 4 – Improved food safety and quality systems

Performance Measures

- Number of Bovine Spongiform Encephalopathy (BSE) surveillance tests
- Number of farmers trained in On-Farm Food Safety (OFFS) Programs

OBJECTIVE 5 – Effective business risk management tools

Performance Measures

- Acreage insured under crop insurance as a percentage of total acreage seeded annually to crops or devoted to perennial tame hay and native forage
- Percentage of Saskatchewan farm operations with sales above \$10,000 that participate in the 2007 Canadian Agricultural Income Stabilization (CAIS) program

GOAL 2

Strong, resourceful, agricultural people and families

OBJECTIVE 1 – *Agricultural people and families with better tools and resources to deal with current stresses facing their industry*

Performance Measure

- Number of participants in the Canadian Agricultural Skills Services (CASS) program

OBJECTIVE 2 – *Agricultural people and families with better tools and resources to plan for their future*

Performance Measure

- Number of inquiries to SAF's Agriculture Knowledge Centre and the Regional Offices

2007-08 Financial Overview

<i>2007-08 ESTIMATES</i>		<i>(in thousands of dollars)</i>	
Central Management and Services	\$	6,979	
Policy and Planning		7,249	
Research and Technology		13,583	
Development and Technology Transfer		21,665	
Inspection and Regulatory Management		3,855	
Land Management		3,966	
Farm Stability and Adaptation		118,335	
Industry Assistance		14,637	
Financial Programs		4,600	
Crop Insurance		104,064	
Total Appropriation	\$	298,933	
Capital Asset Acquisitions		(250)	
Capital Asset Amortization		2,424	
Total Expense	\$	301,107	
REVENUES	\$	55,551	
Full-time Equivalent (FTE) Staff Complement		522.6	

A total of \$250.172 million (representing 83.7 per cent of the Department's appropriation) is transferred to third parties, including producers, researchers, and agricultural associations. This includes the provincial government's share of the total crop insurance premium. A further \$21.665 million (accounting for 7.2 per cent of the appropriation) funds the provision of development and technology transfer services. The remaining \$27.096 million (9.1 per cent of the appropriation) is expended for program delivery.

Trends and Issues

FARM INCOME

The farm income estimates and forecast released by Agriculture and Agri-Food Canada in February of 2007 for Saskatchewan showed significant improvement in the farm income situation. In comparison to a year earlier, when realized net farm income (RNFI) projections for 2005, 2006 and 2007 were all negative, the more recent estimates are positive numbers with a rising trend from year to year to year. RNFI is now estimated to have been approximately \$196 million in 2005 and \$646 million for calendar 2006. Forecast income is expected to rise further during 2007 and reach \$839 million.

The improved income forecast stems from increased crop prices and higher marketings. This increase in crop revenue will more than offset slightly lower livestock receipts which are displaying a stable to declining trend between 2005 and 2007. Program payments also continue to play a major role in the level of overall cash receipts and in net income. For 2006, estimated total program payments of approximately \$1.2 billion accounted for about 18 per cent of total cash receipts and 187 per cent of RNFI. For 2007, forecast program payments of \$809 million represent 11 per cent of expected total cash receipts and 96 per cent of forecast RNFI.

CROP PRICES

For the first time in several years, there is optimism about crop prices. For some crops, the increases have been very significant and if sustained they will influence aggregate farm incomes in a positive fashion.

Saskatchewan farmers are price-takers in an international marketplace for many of the crops produced. The prices farmers receive are directly influenced by a number of external global factors, including: the size and quality of foreign production, global stocks and international subsidies. In recent years, world prices have been under pressure. However, drought and adverse weather during 2006 in Australia, parts of the United States, Ukraine, Kazakhstan, Russia and in Europe reduced global crop output and encouraged higher international commodity prices.

The following table illustrates recent changes in Saskatchewan crop prices:

SIMPLE AVERAGE COMMODITY PRICES (\$/t UNLESS INDICATED OTHERWISE)

	2005-06	2006-07**	% Change
CWB non-durum Wheat – #1 CWRS 14.5*	\$ 157.00	\$ 162.00	4%
CWB Durum – #1 CWAD 11.5*	130.00	162.00	25%
CWB Malting Barley – #1 CW 2 Row SS*	109.00	144.00	32%
Flax #1 CW	245.00	245.00	0%
Canola #1 Canada	236.00	310.00	31%
Green Peas #1 Canada (\$/bu)	3.56	4.35	22%
Desi Chickpeas #1 Desi (\$/cwt)	12.04	19.33	61%
Large Green Lentils #1 Canada (\$/cwt)	11.39	13.99	23%

* Based on the CWB Pooled Return Outlook (PRO) price.

** 2006-07 prices for non-CWB grains are averaged from August 1, 2006 to February 12, 2007.

Despite recent price increases, caution must be used when looking beyond mid-2007. It is well known that producers around the world respond quickly to improved market prices by increasing production. However, new and developing demands for grains and oilseeds, including their use as alternative energy sources, have the potential to offset any increases in supply.

THE CANADIAN DOLLAR

Over the past five years, the appreciation of the Canadian dollar against the US dollar has been a significant and negative influence on Canadian commodity export prices and total farm receipts earned. In early February of 2007, the Canadian dollar was up 35 per cent compared to its value in US currency in early January of 2002.

It is roughly estimated that Saskatchewan crop receipts would have been about \$960 million higher in 2005 and \$1.34 billion higher in 2006 if the dollar had stayed at the same level as that seen in 2002.

FARM EXPENSES INCLUDING GRAIN HANDLING AND TRANSPORTATION

Farm input costs are another major determinant of overall farm income. Higher oil and natural gas prices will continue to significantly influence the size of agricultural expenditures, as natural gas is one of the primary inputs into fertilizer and crude oil prices directly flow through into fuel costs. In 2006, the top four expense items for Saskatchewan farmers were: fertilizer, pesticides, fuel and machinery repair.

Total production expenses continue to grow year after year. Much of this reflects rising costs for the production of these inputs. However, it is generally held that input manufacturers are able to price to margins or to the market, to capture additional revenue in times of higher crop prices.

Rising interest rates also are a concern. Saskatchewan farmers utilize substantive amounts of capital and carry significant short and long-term debt. Outstanding farm debt is estimated at nearly \$7 billion. As interest rates rise, so does the cost of servicing that debt. Since 2005, the Bank of Canada Bank Rate has risen by 1.75 per cent, from 2.75 per cent to 4.5 per cent. Over the same period, estimated interest expenses for Saskatchewan farmers rose by \$41 million. This expense is expected to increase further in 2007 as further rate increases are expected.

Saskatchewan farmers have a number of concerns regarding grain handling and transportation expenses. These include:

- the continuing consolidation of grain handling facilities and companies which raises concerns about the level of competition in this sector;
- past overcharging for grain car maintenance costs. Although this problem has been addressed, farmers have not received any refund for the overcharging that occurred over the past decade; and
- lack of rail service competition. Farmers continue to be concerned that railroads are not subject to the market discipline of competition. Furthermore, regulated rates put farmers at a disadvantage in terms of sharing in any productivity gains and cost reductions obtained by the railways. In addition, the lack of or level of service is a concern held by all shippers that require railway service.

For a producer farming near Saskatoon, the cost of handling and freight for moving spring wheat to port position in the 2006-07 crop year is approximately \$57.51 per tonne or \$1.57 per bushel. This represents more than 26 per cent of the expected pool return to farmers (effectively their final price) forecast by the Canadian Wheat Board.

LIVESTOCK PRODUCTION AND MEAT PROCESSING

There are mixed signals from the livestock industry in Saskatchewan. Growth in hogs marketed is steady, while the number of slaughter steers and heifers produced is down somewhat, as the opened US border draws feeders away from the province. This border remains closed to cattle over 30 months of age, which continues to depress cow prices.

Livestock receipts were strong in 2005, and remained strong throughout most of 2006. Global demand for protein should normalize as supplies get back to normal, and livestock prices in Saskatchewan should also return to traditional levels. Stronger cow prices in Saskatchewan and in Canada are projected when the US finally allows imports of live cattle that are over thirty months of age. However, future market disruptions and their impact on farm income can not be completely discounted.

Animal health issues continue to be a major policy and cost consideration. Actions by the federal government and by industry to implement specified risk material management and traceability initiatives will have significant budget and operational implications.

Current difficulties in the primary meat processing industries and their impacts across North America, including Saskatchewan, are evident. Low margins in hog processing have prompted consolidation, resulting in the decision by Maple Leaf to reduce their presence in Saskatoon and to not proceed with plans for a new slaughter plant. The opening of the border combined with increased beef slaughter capacity over the past few years has put pressure on beef processors as well. XL Moose Jaw has reduced volumes handled and laid off staff.

INTERNATIONAL AND DOMESTIC POLICY ISSUES

Foreign subsidies continue to promote overproduction, and pressure global prices downward. For example, in 2005, the European Union reinstated export subsidies on some crops that compete with Canadian crops in the export market. In early 2007, the United States began consideration of a new Farm Bill. This Bill, which may become law later this year, will define support for agriculture in that nation for the next five years.

After having been suspended in 2006, World Trade Organization negotiations have resumed. Many countries still expect there will not be an agreement in the short term.

The new US Congress is on a path to implement compulsory country of origin labeling (COL) in 2007. This would create more trade difficulties (especially for meats) between Canada and the United States.

Government and industry will also have to determine how to respond to opportunities presented by bioproducts and agroforestry. Government and industry also intend to build on our current base of organic production and marketing. SAF, through the Crop Development Branch, continues to support the initiative lead by Lon Borgerson, Legislative Secretary for Organic Farming, to promote the organic industry in Saskatchewan.

ECONOMIC PRESSURES AND DEMOGRAPHIC

The agri-food sector faces a number of pressures that are similar to the rest of the economy. These include:

- pressure to grow to capture economies of size. Larger, well managed farms have margins substantially higher than the industry average;
- the requirement for significant amounts of capital by agriculture which creates challenges, including issues of succession and transfer; and
- the booming non-agricultural economy, which has placed additional pressures on the availability of labour for farms (and associated agri-food industry).

These pressures create challenges which affect the future of the industry and that of rural Saskatchewan.

Changes from 2006-07 Performance Plan

The 2007-08 Strategic Plan is largely consistent with and builds on the themes contained in the 2006-07 Plan.

There is a slight change in the wording of Objective 5. It was: *Effective safety net and risk management tools*. We are changing it to: *Effective business risk management tools*.

The industry is now using business risk rather than safety net and risk. This intention is the same as it was before.

There were several modifications to department performance measures. The following measures were dropped:

- *Number of incidents where inhibitor penalties are applied to dairy producers* – The responsibility for the Provincial Dairy Laboratory and the application of inhibitor penalties has been transferred to the Saskatchewan Milk Control Board.
- *Number of hogs that are inspected in federally regulated slaughter facilities in Saskatchewan* – This measure has proven to be very difficult to influence and also is partially duplicated by the hogs marketed measure under Objective 1.

The following measure was reworded to capture all type of inquiries received, regardless of the point of contact:

- *Number of inquiries to SAF's Agricultural Knowledge Centre and the Regional Offices*

Trendline information is provided for performance measures for the first time in the 2007-08 Performance Plan.

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Goals, Objectives, Actions and Measures

This section provides the detailed 2007-08 Performance Plan for SAF, which supports advancement towards our vision of a thriving agricultural sector that contributes to an enhanced quality of life for all Saskatchewan residents. Under each goal, a number of objectives have been established to support progress towards the broader goal statement. For each objective, a set of key actions has been identified. They are the means for making progress toward the objectives and thereby the larger goal. To assess progress, a set of performance measures has been established to gauge success in meeting the targets established.

In preparation of this Performance Plan, the Department needed to consider key cost drivers and related financial assumptions. A significant component of our budget – traditionally approaching 80 per cent – is transferred to third parties. The bulk of this ultimately goes to producers through business risk management programming, but it also includes transfers to researchers and agricultural associations. Each year, the Department estimates producer demand for production insurance, as well as the potential claims that will be made under the CAIS Program. Variations between actual and expected demand may lead to budgeted over or under funding of these programs. This in turn may trigger re-allocations within the Department's budget (with implications for the activities and intended outcomes to which those funds were originally allocated), requests for additional post-budget funding, or participation caps or payment pro-rating which also may affect the planned outcome of these initiatives.

GOAL 1

Prosperous, sustainable, agricultural production and processing industries

OBJECTIVE 1 – Increased livestock production and diversification to higher value crops

One of the best opportunities to create jobs and economic growth in Saskatchewan is through further development of the livestock industry, particularly the cattle and hog sectors. Increases in such livestock production have the potential to encourage expansion in our domestic meat processing sector. The Province continues to encourage and support the industry in the attainment of its full potential through a number of initiatives.

An increase in the value of production per acre of crop land will also result in a larger rural economy and more employment in rural Saskatchewan. This may be achieved through higher yields, more intensive use of land and growing higher value crops.

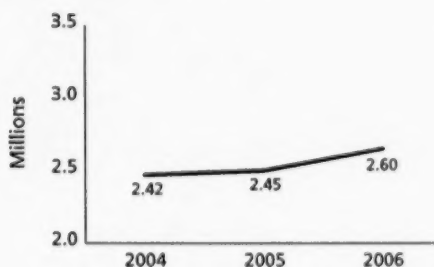
Key Actions for 2007-08

- Proactively identify potential development opportunities and infrastructure requirements, and provide project support for new or expanding agricultural enterprises.
- Implement strategies to attract new people and investment to the livestock industry.
- Provide livestock and crop development information and services.
- Provide livestock disease, crop disease and pest surveillance.
- Develop an irrigation strategy that will provide an expanded, environmentally sustainable industry.
- Pursue increases in Saskatchewan's production quota allocation for targeted supply management commodities.
- In co-operation with the federal government, pursue improvements in the rules governing international trade, domestic and international market access, and continue our response to trade protectionist actions.
- Manage agricultural Crown land and develop options for best use of asset.

What are we measuring?

Hogs marketed

Progress to date

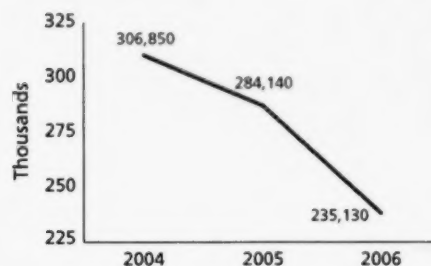


A sustained increase in hogs marketed will indicate expansion in the industry. This measurement is an appropriate (but not an exact) indicator that the public policy necessary for expansion has been adopted, supporting infrastructure has been put into place, and required investment has actually occurred.

Although the Department is able to influence several production factors, certain key factors, including changes in market access, commodity prices, feed prices and availability, and interest rates are beyond the Department's control.

What are we measuring?

Slaughter steers/heifers marketed

Progress to date

A sustained increase in slaughter steers/heifers marketed will indicate expansion in the cattle feeding industry. The appropriateness of this measure and the Department's level of control or influence are similar to that noted above for hogs.

What are we measuring?

Beef cow herd size

Progress to date

1.50 million head

[July 1, 2004]

1.55 million head

[July 1, 2005]

1.51 million head

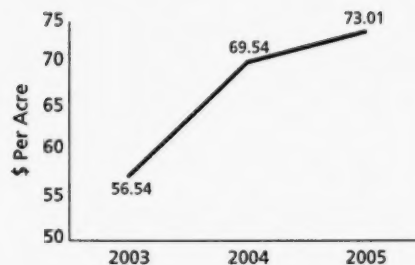
[July 1, 2006]

A sustained increase in the beef cow herd will require shifts in land use (most likely from crops) to grazing and forage production and will indicate that the cattle industry is expanding. The appropriateness of this measure and the Department's level of control or influence are similar to that noted above.

What are we measuring?

Value of Saskatchewan crop output per acre

Progress to date



The monitoring of changes in the dollar value generated per acre of crop produced will allow the Department to gauge the level of adoption of new production technology and higher value crops.

While SAF can influence the value generated per acre, other factors, including weather conditions, the mix of commodities produced, trade and production distorting subsidies and commodity price fluctuations also have major impact.

OBJECTIVE 2 – Increased total value of goods and services produced by the agriculture and food sector

Development of the primary agricultural sector and further processing of this production is necessary to expand the contribution in economic output and employment that may be made to the provincial economy. Increased processing, particularly outside urban centers, will directly enhance the rural economy and help keep smaller communities viable.

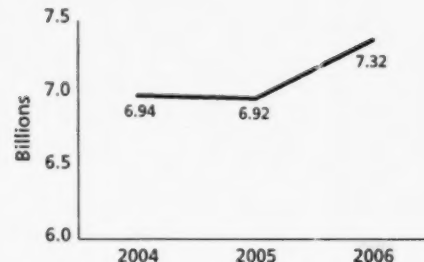
Key Actions for 2007-08

- Redesign the meat processing strategy to attain expansion of industry slaughter and processing capacity in the province.
- Implement strategies to develop current priority industries in the agricultural sector.
- Invest in and manage research and development to support the industry priority areas and to create opportunities for the agriculture and food sector.
- Provide an effective regulatory environment for sector development and performance.

What are we measuring?

Primary agriculture market receipts plus agri-value (food and beverage) shipments

Progress to date



Farm market receipts plus food and beverage shipments measured by Statistics Canada indicates the contribution of agricultural primary and processing industries to the provincial economy. Sustained increases in this measure will indicate the public policy necessary for industry expansion has been adopted and the necessary supporting infrastructure is in place.

OBJECTIVE 3 – Enhanced environmental stewardship

The agricultural sector recognizes it has an important environmental stewardship role and that sustainability relies upon its co-existence with the natural environment. There is general agreement across the industry that progressive farming and processing practices should be utilized in an environmentally sound manner to maintain our soil and water resources, preserve the atmosphere, and ensure compatibility between agriculture and biodiversity in the environment. This focus is essential to ensuring the industry's long-term vitality and profitability.

Key Actions for 2007-08

- Implement an environmental monitoring and indicator program.
- Continue to implement the environmental farm planning initiative. The website www.saskpcab.com/efp.html provides information on this initiative to enable agricultural producers to develop assessment tools on environmental risks and opportunities for their operations and identify advantageous management practices.
- Provide environmental assessments for intensive livestock operations.
- Regulate the application of pesticide products by the agriculture industry.
- Promote increased carbon sequestration on agricultural lands and ensure farmers are aware of opportunities to capture value from their sequestration practices.
- Develop strategies to assist farmers in reducing agricultural greenhouse gas emissions.

What are we measuring?

Conservation tillage as a per cent of land prepared for seeding

Progress to date

67.6% of acreage prepared for seeding
[2001]

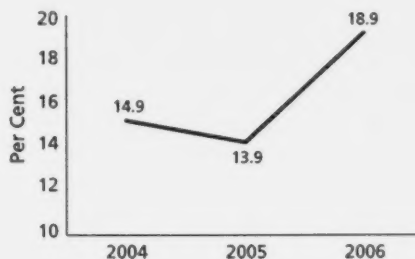
Conservation till (which includes a variety of practices that reduce or minimize the disturbance of the topsoil) is the best management practice for long-term economic and environmentally sustainable crop production.

Climatic and economic factors may influence conservation till acreage in any one year. Adoption of this technology requires new capital investment so that progress toward the objective should be measured over a multi-year period. An update on the adoption of such tillage practices will be available with the release of the 2006 agriculture census.

What are we measuring?

Summerfallow as a per cent of total cultivated land

Progress to date



Summerfallowing for weed control and increased moisture reserves may subject land to wind and water erosion and affect the organic matter content of the soil. These concerns plus advances in production technology are reducing this practice.

Moisture levels, weather conditions and economic factors may influence summerfallow acreage in any one year.

What are we measuring?

Number of environmental farm planning workshops

Progress to date

As of March 31, 2006, a total of 396 initial EFP workshops and 337 stage two workshops have been held since their inception in 2004-05.

The adoption of environmental farm planning by producers in Saskatchewan is being supported by the Department. Locally based workshops are available to producers and are resourced by trained agrologists.

Department resources for third party delivery and producer interest will influence the number of workshops that may be offered and demanded.

OBJECTIVE 4 – Improved food safety and quality systems

Consumers throughout the world increasingly demand that high safety standards be observed in the production of food they consume. Saskatchewan producers and processors must respond to that demand to compete in the global marketplace. In recognition of this, food safety and quality programming is one of the five elements of the APF. Measures are being developed and will be implemented to enhance the sector's ability to identify and respond to food safety issues and concerns, while improving market access and opportunities for the sector.

Key Actions for 2007-08

- Continue to implement a food safety strategy for Saskatchewan's food processing sector. (This includes the provision of voluntary inspection of abattoirs and meat processing plants to help ensure food safety, and industry adaptation to regulations which requires the removal of specified risk materials from all cattle slaughtered. Further information is available at: www.agr.gov.sk.ca/docs/about_us/programs_services/meatinspect.asp.)
- Assist industry in implementing on-farm food safety programs.

What are we measuring?

Number of BSE surveillance tests

Progress to date

1,834

[2004]

7,469

[2005]

Surveillance is a key part of Canada's ability to confirm its very low prevalence of BSE within the domestic herd, and to provide reassurance to foreign governments and markets that Canadian beef is safe. National surveillance goals have been set in co-operation with the federal government and have been broken down further by province.

What are we measuring?

Number of farmers trained in On-Farm Food Safety (OFFS) Programs

Progress to date

Different commodity sectors are at different stages in the adoption of OFFS programming. A listing by commodity sector may be found on page 33 of SAF's 2005-06 Annual Report.

Ensuring a safe and high quality food supply requires the adoption of effective systems throughout the food chain, starting with the producer of the primary product.

SAF will have some influence over the number of farmers that take OFFS training through its efforts with provincial commodity groups to develop and implement appropriate programming.

Producer participation will be dependent on their perception of the need, benefit and costs of such on-farm systems.

OBJECTIVE 5 – Effective business risk management tools

Income from agricultural production is subject to both price and production risk and may be quite variable from year to year. Effective business risk management tools are essential if producers are to deal with these risks and achieve the full economic potential of the sector. The development of business risk management programming, including the CAIS program, which replaced previous programming and provides producers with disaster assistance and income stabilization, has been an essential component of the APF.

Key Actions for 2007-08

- Continue participation in and further development of the Canadian Agricultural Income Stabilization (CAIS) program.
- Enhance crop insurance programs which grains and livestock producers may use to offset production failures and other natural hazards.
- Continue monitoring and delivery of programming to address unique risk situations.

What are we measuring?

Acreage insured under crop insurance as a percentage of total acreage seeded annually to crops or devoted to perennial tame hay and native forage

Progress to date

	Seeded Annually	Tame Hay + Native Forage
2004	71%	22%
2005	70%	17%
2006	66%	12%

One measure of the effectiveness of crop insurance programming that is used is producer participation. This is calculated in terms of the actual acreage that is insured compared to the total possible acreage that could be insured. It is inferred that a high or increasing level of participation indicates effective programming, while a low or declining participation rate indicates the program is less effective or trending in that direction. However, producers have raised concern about the adequacy of the coverage of the crop insurance program. They may choose to participate because there are no other production insurance options. In this respect, participation levels may be an incomplete measure for gauging program effectiveness.

What are we measuring?

Percentage of Saskatchewan farm operations above \$10,000 that participate in the 2006 Canadian Agricultural Income Stabilization (CAIS) program

Progress to date

36,411 applications received (95%)
[2003 claim year]

37,036 applications received (96%)
[2004 claim year]

35,463 applications received (92%)
[2005 claim year]

One measure of the effectiveness of risk management is producer participation. The data on farm operations above \$10,000 are estimates produced through the annual Farm Financial Survey conducted by Statistics Canada.

SAF has some influence over producer participation through provision of information, promotion and communications on the program.

As noted above for crop insurance, participation may be an incomplete measure of program effectiveness, for the same reasons.

GOAL 2

Strong, resourceful agricultural people and families

OBJECTIVE 1 – *Agricultural people and families with better tools and resources to deal with current stresses facing their industry*

Saskatchewan's agricultural sector has been under significant economic stress in recent years. To cope with these circumstances, individual operators and their families must have available to them both immediate and longer term tools. An initial point of contact is the Farm Stress Line and the SAF Inquiry Line. For the longer term, tools must also be available to assist farmers and their families to make decisions regarding their individual operations and determine what options are available – including diversification and/or expansion of their operations, or the consideration of off-farm opportunities.

Key Actions for 2007-08

- In co-operation with the federal government deliver renewal programming services to farm families (to respond to financial stress, to capture new opportunities, and to effectively change current operations).
- Provide information and counseling services to help farm families deal with the stresses in their industry.

What are we measuring?

Number of participants in the Canadian Agricultural Skill Services (CASS) Program

Progress to date

Under development

The CASS program was implemented in the spring of 2005 to provide renewal programming to farmers.

SAF has some influence over the number of farmers that participate in this program through its promotion and delivery through its Agri-Business Development Branch.

OBJECTIVE 2 – Agricultural people and families with better tools and resources to plan for their future

Key Actions for 2007-08

- Provide enhanced specialist, technical and business development services.
- Support the Farm Leaders Advisory Group's efforts to develop a transformative agenda for Saskatchewan's agricultural sector.
- To encourage the development of the next generation of agricultural policy that better meets the needs of society, the agricultural sector and industries, and farm families.

What are we measuring?

Progress to date

Number of inquiries to SAF's Agricultural
Knowledge Centre and the Regional Offices

16,920 inquiries
[2004-05]

Changes in the number of inquiries will enable the Department to gauge the popularity and usefulness of the technical and support services made available.

The number of inquiries tends to rise if the sector is stressed by unusual weather, agronomic or economic factors.

The number of inquiries to SAF's Agricultural Knowledge Centre is a proxy on the provision by the Department of better farm management tools to Saskatchewan's agricultural producers. At best, it is an approximate measure, as inquiries may vary from year to year in response to environmental or market factors and stresses.

In respect to the objective, an ideal measure or measures to monitor progress towards achievement would assess and track overall client satisfaction and their assessment of the effectiveness of the information and services provided by the Department.

For More Information

Readers seeking additional information may consult the SAF website, located at www.agr.gov.sk.ca/. This site includes detailed program information, agronomic information, reports, statistics and several interactive features. Additional information may also be obtained by writing:

Communications Branch
Room B5
3085 Albert Street
Regina, Saskatchewan
S4S 0B1

Readers may also provide feedback on SAF's plan via the above site, at www.agr.gov.sk.ca/apps/contact/ask_saf.asp, or by writing to:

The Deputy Minister
Saskatchewan Agriculture and Food
Room 101, 3085 Albert Street
Regina, Saskatchewan
S4S 0B1

